

**Office of the State Auditor  
Auditing Services Revolving Account  
April 1, 2004**



**Services Provided**

- **Audit of state's comprehensive annual financial report**
- **Statewide federal single audit report**
- **Statewide accountability report**
- **State employee whistleblower program**
- **Local funds report**
- **Forensics computer investigations**
- **Fraud investigations**
- **IT Security Audits**

The Washington State Auditor's Office, part of the executive branch of state government, is established in the state's Constitution as the auditor of all public accounts. The Auditor is elected by the citizens of Washington and serves four-year terms.

The Office examines the financial activities of approximately 168 state agencies, ranging from the largest departments such as the Department of Social and Health Services, to small boards and commissions such as the Asparagus Commission. All public colleges and universities in Washington are state agencies.

The State Auditor examines financial records to ensure public funds are accounted for and internal controls are in place to protect public resources from misappropriation, loss or misuse. Second, we look at agency compliance with state laws and regulations relating to financial matters. We report on what we find in the Statewide Accountability Report and the Statewide Single Audit. The latter report contains the results of our audit of the state's General Purpose Financial Statements.

In addition, the Office administers the State Employee Disclosure or Whistleblower Act, which provides state employees an avenue for reporting suspected improper governmental activity.

### **Calculations and Methodologies**

The auditing services revolving account (ASRA) is used to account for the revenue and expenses associated with the audit of the state of Washington and whistleblower investigations.

The audit of the state of Washington is planned using a risk-based approach that is applied to the state as a whole. Under this approach, several factors are used to plan each year's audit. These factors include, but are not limited to, audit history, the strength of internal controls, and implementation of new technology, public concern and federal funding requirements.

Whistleblower investigations are conducted in accordance with criteria and timelines specified under Chapter 42.40 RCW, which gives all state employees the right to confidentially disclose suspected improper governmental actions and to be protected from retaliation. The timeline for these investigations requires that the assertions must be reported within one year of the occurrence and that our Office must complete the investigation within one year.

ASRA charges are established by estimating the number of hours it will take to meet statutory audit requirements and to complete whistleblower investigations for each state agency. The estimated hours are based on the analysis of audit risk for each agency.

The whistleblower estimate is based on historical investigation activity for the prior three fiscal years.

**Amount billed to agencies for the 2003-05 biennium: \$13,292,149**

**Communication to agencies:** At the beginning of the biennium, agencies are given an estimate of how much they will pay for auditing services and whistleblower investigations. During the course of the biennium agencies will be billed based on actual work performed.